

SENATE BILL 962

By Yarbro

AN ACT to amend Tennessee Code Annotated, Section 66-28-301, relative to security deposits.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 66-28-301, is amended by adding the following new subsection:

(i)

(1) Upon a tenant's request, a landlord who requires a security deposit shall offer and accept in lieu of the required security deposit rental security insurance or a bond that satisfies the following criteria:

(A) The insurance provider is an approved carrier licensed by, and in good standing with, the department of commerce and insurance;

(B) The coverage is effective upon the payment of the first premium or fee and remains effective for the entire lease term; and

(C) The coverage provided per claim is no less than the amount the landlord requires for security deposits.

(2) Prior to entering into a rental agreement, a landlord shall provide the tenant written notice of the available security deposit alternatives contained in subdivision (i)(1).

(3) If rental security insurance or a bond meeting the criteria in subdivision (i)(1) is not available to the tenant, then the landlord does not have to offer the rental security deposit alternative described in subdivision (i)(1).

(4) This subsection (i) does not apply to a deposit placed with a landlord to secure the availability of a rental unit more than sixty (60) days prior to the commencement of the rental period.

(5) A tenant who elects to provide rental security insurance or a bond in lieu of a required security deposit is not required to provide additional security or insurance coverage per claim in an amount greater than the amount required for security deposits.

SECTION 2. This act takes effect July 1, 2021, the public welfare requiring it.